



Montgomery County Community Action Board Testimony
County Council FY21 Operating Budget Hearing
April 16, 2020

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Community Action Board Chair

My name is Laura E. Irwin and I am the Chair of the Community Action Board, the governing body for the Community Action Agency and Head Start. On behalf of the board, thank you for your work to address the needs of the community during this unprecedented public health emergency. As advocates for the low-income community, we especially appreciate the inclusion of a \$6 million special appropriation, with \$5 million for financial assistance to residents and \$1 million to support DHHS safety net programs, included in the Council's COVID-19 Economic Relief Act. This funding will be critical in addressing the needs of lower-income residents, many of whom have lost their jobs, or are employed in positions with limited benefits available. It is important to note that many of these residents were struggling to achieve self-sufficiency even before the COVID-19 emergency. After all, the County's Self-Sufficiency Standard for a family of four with two working adults, one preschooler, and one school-age child is \$91,252, nearly three and a half times the Federal Poverty Level, and over \$38,400 more than the County's current minimum wage.¹

In addition to the County's generous support, the federal CSBG and Head Start funding coming through the CARES Act will play an important role in meeting the challenges facing our most vulnerable residents. We understand that as the funding parameters are clarified, the agency's management will be working closely with DHHS and MCPS leaders to coordinate planning, with input and oversight from the Board, to maximize the impact and assure that federal compliance standards are maintained.

¹ <http://www.selfsufficiencystandard.org/>

The Community Action Agency recently completed its three-year Community Needs Assessment (CNA), providing an overview of the critical issues impacting lower-income County residents. The current emergency situation highlights so many of these issues, most of which have been exacerbated by the current circumstances. First, there is the exceptionally high cost of child care in the County. Despite recent County efforts to expand child care options, which our board applauds, too many parents and caregivers continue to struggle to obtain high-quality, affordable early care and education. Noted in the CNA, the average cost of preschool in the County at child care centers is over \$15,000 per year.² While schools and child care facilities are closed during the emergency situation, many lower-income families who already struggled to pay for child care, must now choose between going to work and staying home to care for their children. Low-wage jobs typically lack benefits such as paid leave, placing these families in a difficult position. We recommend that the County continue to explore expansion opportunities for early care and education, utilizing a mixed delivery system. We also recommend the expansion of work supports so that lower-income residents can be in a better position to care for their families, and to help these residents maintain employment that provides a self-sufficiency income.

Also highlighted in the CNA is the issue of food security. With over 70,000 residents facing food insecurity prior to the COVID-19 emergency, this issue will only get worse as residents lose their jobs and family budgets are stretched thin to pay for other necessities.³ Many of the Community Action Agency's partner organizations, including Manna Food Center, Women Who Care Ministries, and Kids in Need Distributors, have gone above and beyond to meet the increasing needs of the community, yet families continue to struggle. We applaud the Council for allocating additional emergency funding for food and nutrition programs, especially for households who may be ineligible, or fearful of using SNAP. As the Self-Sufficiency Standard explains, due to the high cost of living in the County, many households earn too much to qualify for supports, but far too little to be self-sufficient here.

² <http://www.marylandfamilynetwork.org/>

³ https://www.montgomerycountymd.gov/exec/Resources/Files/pdf/MoCo_Food-Security-Plan_2017.pdf

The CNA notes that the lack of affordable housing is a persistent problem in Montgomery County, and this has been exacerbated since COVID-19, with nearly 1/3 of the nation's apartment renters failing to pay their rent on time.⁴ At the time of the CNA report, 23.3% of homeowners and 49.5% of renters here in the County were housing burdened.⁵ Furthermore, 44.7% of white renters, 42.7% of Asian renters, 54.5% of Black renters, and 62.2% of Latino renters were housing burdened.⁶ Even before the public health emergency, many people also struggled to pay their mortgage. Our Board appreciates the safeguards put in place to prevent evictions and foreclosures, including stopping utility shut offs. However, we are very concerned about what will happen to lower-income households when the public health emergency ends. Preparations must be made now to plan for the inevitable surge in requests for housing assistance. We encourage the Council to work with state and federal colleagues to assure that adequate funding is available for housing assistance for those who have lost jobs or work hours, and to continue to explore innovative ideas for expanding affordable housing options.

Integrating a 2-Gen/whole family approach to services across the County and at TESS was another highlight of the CNA. The 2-Gen pilot at the Takoma-East Silver Spring (TESS) Community Action Center and the Kresge-supported initiatives in East County and Germantown, which include engagement of nonprofits with contracts monitored by Community Action, provides an exciting opportunity to transform service delivery. The model includes intensive case management through opportunity coaches who provide family-centered services. Although the County Executive was unable to fund the agency's enhancement grant proposal due to budget limitations, we believe the CSBG CARES Act funding can strengthen 2-Gen/whole family focused practice while applying an equity lens. Staff at TESS have received intensive training and, before the COVID-19 crisis, the agency was planning a 2-Gen training for other providers, which we now plan to deliver in the next quarter, either virtually or in-person.

⁴ <https://www.wsj.com/articles/nearly-a-third-of-u-s-renters-didnt-pay-april-rent-11586340000>

⁵ 2017 American Community Survey

⁶ Office of Legislative Oversight Racial Equity Profile for Montgomery County
https://www.montgomerycountymd.gov/OLO/Resources/Files/2019%20Reports/OLO2019-7-6_20_19.pdf

Lastly, we want to emphasize the overall financial needs of our neighbors, as noted in the CNA. Our board has been a longtime advocate of the Earned Income Tax Credit, along with other supports and financial education programs that can help families save for emergency situations. As it is now abundantly clear, 24.5% of County households do not have enough money readily available (liquid assets) to live at the Federal Poverty Level for three months in the absence of income, let alone at a self-sufficiency level. This number jumps to 41.8% for Black residents and 52.1% for Latino residents.⁷ These households are struggling right now to pay for basic necessities, and they will soon have very little savings from which to draw. While the forthcoming stimulus checks will help, it is a one-time support and not everyone qualifies. We are grateful to the County Council for providing additional assistance through DHHS and nonprofits to meet emergency needs, especially for our neighbors who may not be able to access other supports. We applaud previous steps taken by the Council to improve financial outcomes and savings for residents, including full funding for the Working Families Income Supplement, increases to the minimum wage, and the provision of safe and sick leave to help people move towards self-sufficiency.

Throughout the public health emergency, the Community Action Agency and our Board have continued to support the community. Although the agency's Volunteer Income Tax Assistance (VITA) sites are currently closed, staff continue to work with clients virtually and are exploring drop-off options in order to resume tax preparation services. The TESS Community Action Center is serving people remotely, assisting clients in need of food and nutrition services, healthcare, housing assistance, and much more. Its storefront presence for almost 60 years remains a vital link and the trust the staff have in the community continues even though it has gone virtual. The agency's contract monitors have worked diligently to provide remote oversight to 52 contracts delivering critical safety net services. Our Board continues to meet to discuss advocacy opportunities during the crisis. With special thanks to our guest, Councilmember Will Jawando, our free advocacy training program, the Community Advocacy Institute, met virtually on March 28 for a testimony practice session. We encourage the Council to carefully review the participants' original testimony they will be submitting during the

⁷ Prosperity Now <https://prosperitynow.org/>

budget process, as it will highlight many of the critical issues facing lower-income County residents.

The Community Action Board thanks you for your strong leadership during the COVID-19 emergency. We look forward to working with you throughout the crisis, and into the future, to address the needs of the lower-income community.